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Robinson, Farmer, Cox Associates, PLLC
Certified Public Accountants

Date: November 19, 2021

Memorandum To: Piedmont Regional Jail Authority

From: Robinson, Farmer, Cox Associates

Regarding: Audit for Year Ended June 30, 2021

In planning and performing our audit of the financial statements of Piedmont Regional Jail Authority for the year ended June 30, 2021, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 19, 2021 on the financial statements of Piedmont Regional Jail Authority. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Check Signatures

The purchasing policy requires that each check issued include two authorized signatures prior to distribution. In fiscal year 2021, several checks issued from the inmate and commissary accounts contained only one signature. There were nine single signature checks for the inmate account and three single signature checks for the commissary account. We recommend that all checks contain two authorized signatures prior to issuance in accordance with the purchasing policy.

Procurement

Formal contracts were not prepared for certain projects during the year. Three informal quotes were obtained for the roof project ($172,879.75) and the CCTV system ($103,848.22). One informal quote was obtained for bathroom partitions ($36,043). Inquiries revealed that efforts were made to obtain additional quotes for the bathroom partitions, but the vendors were unable to complete the work and did not provide an estimate.

Other items procured during the year used methods such as an invitation for bid (IFB), request for proposal (RFP), and use of state contract with proper documentation maintained on file. We recommend that the procurement officer oversee all significant procurement transactions to ensure that the proper procurement methods are used and related paperwork (including responses to RFPs, quotes, etc.) are formally maintained and available for audit. Emergency purchases and sole source should also be documented, if applicable. We also recommend that formal contract documents be prepared and retained for future projects.

Revenue Documentation

Due to turnover and changes in personnel handling certain financial activity, documentation was not provided for all inmate collections. Paperwork was missing for work release ($90), weekenders ($2,588), and HEM ($1,265); however, documentation was provided for the remaining collections during the year. We recommend that staff responsible for financial activity devise a system for filing paperwork and ensuring that the financial records are maintained and provided for audit.

Statement of Economic Interest/Financial Disclosure Statement

The Code of Virginia requires members of the governing body of any authority with the power to issue bonds or expend funds in excess of $10,000 in any fiscal year to file an annual Financial Disclosure Statement. Alternatively, those members serving on a County or City board can elect to file the statement of economic interest completed for that position. Forms must be filed by February 1st of year each. One member filed the statement late, on 7/26/21, and one member did not file the annual form. We recommend that each member file the required form in accordance with the Code of Virginia.

VRS reporting

VRS requires that the monthly payment be scheduled immediately after the contribution is confirmed. The payment for contribution month November 2020 was not scheduled immediately after the contribution was confirmed. Due to the holiday schedule, confirmation was performed on November 25, 2020, and the payment was scheduled on December 2, 2020. We recommend that VRS payments be scheduled immediately after the contribution is confirmed, in accordance with VRS guidelines.